



## Ratings Skills Needed by Business Education Graduates for Entrepreneurial Development in Southwest Nigeria

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### Abstract

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This study on SME managers' ratings skills needed by business education graduates for entrepreneurial development in southwest Nigeria was necessitated by the need to ensure that business education graduates in the area acquire relevant skills for entrepreneurial success. Three research questions guided the study and three hypotheses were tested. The design of the study was descriptive survey. The population was 540 out of which 230 was sampled using proportionate stratified random sampling technique. A 30 item structured 5- point rating scale questionnaire which was validated by experts in the field was used to collect data. Test re-test method was used to determine the reliability of the instrument and application of Cronbach Alpha yielded an overall reliability coefficient of 0.75. Mean and standard deviation were used to answer the research questions and determine the cohesiveness or otherwise of respondents' ratings, while z-test was used to test the hypotheses at 0.05 level of significance. Findings revealed that the respondents rated human relation skills, innovative skills and problem-solving skills as highly needed by business education graduates for entrepreneurial development in the area. Based on these findings, it was recommended among others that regulatory agencies for business education programme should review the curriculum to integrate and adequately emphasize the skills rated as highly needed while the implementers should adopt suitable approaches to help all the graduates acquire them in order to become successful entrepreneurs who contribute to entrepreneurial development of the area.

**Keywords:** *Small and medium enterprises, Managers' rating, skills and Business education*

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### **Background to the Study**

The current economic trends in different nations including Nigeria have brought competitive business environment and new demands for entrepreneurial development. In this competitive global economy, no nation can survive without developing a skillful and formidable workforce. This means that graduates of the education system require not just for preparation for white collar jobs but both knowledge and skills for self-employment and self-reliance which are required impetus for national development. As a result, schools are being challenged to produce students who are knowledge producers, problem solvers and creative thinkers who can apply their skills to enrich their lives and communities. Consequently, it has become imperative for the nation to rethink her educational delivery practices in order to enhance the competitive ability of her teeming graduates. As a step in this direction, Nigeria government introduced entrepreneurship education as a compulsory course for all programmes in tertiary institutions. Therefore, the need for entrepreneurship education cannot be over-emphasized.

Entrepreneurship education is a carefully planned programme of instruction aimed at equipping students with entrepreneurial skills and competencies to enable them start and effectively manage their business enterprises for survival and success. Osuala (2004) defined entrepreneurship education as a programme or part of the education programmes that prepares individual to undertake the formation and/or operation of a small business enterprise. It is a programme of instruction that will properly equip the beneficiary to establish and operate a profit oriented business venture. According to Fillani (2006) about 93 percent of scholars are of the opinion that entrepreneurial skills can be developed through education and training. That is, the introduction of entrepreneurship education in Nigeria institutions is widely regarded as a suitable measure to entrepreneurship development in the country. Entrepreneurship education prepares and encourages the recipients to create employment opportunities for themselves and others by investing their knowledge, skills and other resources to satisfy needs in an environment to make profit. Consequently, entrepreneurship education is a key agent in the development of creativity and innovativeness in individuals for business success. It stimulates business interest and potentials as well as acquisition of relevant skills and competencies for the establishment and operation of a new profit-oriented business venture. The challenge of globalization creates a need for individual and national entrepreneurship development to uplift people's standard of living since, according to Drucker (2005), entrepreneurs are energizers, risk takers, job providers, innovators and instruments for economic growth. Thus, Deen (2003) observed that there was growing scientific evidence that entrepreneurship education is capable of stimulating employment, productivity, and economic growth by stimulating the establishment of small and medium enterprises.

Adeusi (2015) noted that Small and Medium Enterprises occupy a place of pride in virtually every country or state. They play significant roles in the development and growth of various economies, as a result of which they are aptly referred to as the engine of growth and catalyst for socioeconomic transformation of any country. Small and medium enterprises are usually owned and managed by individuals called business owners,

entrepreneurs or business operators. The nature of the business is such that managers are employed to handle the affairs of the enterprise by helping to scout for and discover business opportunities as well as plan promotional activities to increase patronage. Akarahu (2015) stressed that the position small and medium enterprises occupy in the economic development of States and Nigeria as a whole makes it such that the business can be located in both urban and rural areas. Consequently, small and medium enterprises are the most widely spread form of business organization in Nigeria, involving men and women of different levels of education.

Skills for operating a business enterprise are needed for the business to succeed in the competitive market. Skill is the ability to do something well and is usually gained through training or experience. Okoli (2013) defined skills as the economic tools with which entrepreneurs acquire and solve societal problems. Skills are practical activities which make one employable, self-reliant and relevant to the society. Okoli further stated that entrepreneurs must possess these business skills that are necessary to enable them start, finance their own business enterprises and market the products or services. Skills go a long way in helping entrepreneurs become successful. Skills are those activities that will enable an entrepreneur to manage his own enterprise. Graduates of business education need different of skills such as human relation skills, innovative skills and problem-solving skills among others to run any kind of business enterprise.

Olaniyi (2016) asserted that possession of good human relation skills is another success factor in entrepreneurship. The entrepreneur is the human factor that organizes other factors of production such as land, capital and machinery to achieve set business goals. Labour is a human factor of production but it is the ability to manage it effectively in an organization that leads to excellent business performance. In support of the above, Uche (2008) affirmed that no matter how hard an individual may work or how many brilliant ideas he may display, if he cannot connect with other people around, his professional life will suffer. This emphasizes the need to acquire human relation skills for entrepreneurial development. The author further stressed that human relation entails the ability to relate well with coworkers; accept criticisms, advice and suggestions from others, exercise confidence, good judgment and bring about increased customers satisfaction through innovation. In their view, Hennessey and Amabile (2010) defined innovation as the successful implementation of creative ideas within an organization. Based on this view, entrepreneurs' creativity is the starting point of innovation. Innovative skills for entrepreneurial development include introduction of new products, new methods of production, opening new markets, exploring new sources of supply of raw materials and carrying out new types of organization (Oduma, 2011). The acquisition of these skills will enable graduates of business education function effectively in the current highly competitive environment and strong market forces to turn business problems into business opportunities.

A business is built on the problems (needs and wants) of customers and without these; there will be no business at all. This is why problem-solving skills are very important tools for success in operating an enterprise. Ajaero (2006) stated that problem-solving skills for

entrepreneurial development involve critical thinking, understanding of the business, team spirit, decisiveness and courage. Acquisition of these skills will enable graduates of business education to identify business problems and become critical thinkers so as to turn the identified business problems into opportunities.

### **Problem of the Study**

In the light of series of reforms and introduction of entrepreneurship education as compulsory course in all tertiary institutions in Nigeria, it is expected that business education graduates would acquire relevant entrepreneurial skills that will enable them to become successful entrepreneurs. Unfortunately, most of these graduates seem to lack interest and confidence in entrepreneurial activities for self-reliance, instead they join in the search for scarce paid employment thereby increasing the already high unemployment rate in the country despite the abundant entrepreneurship opportunities. This trend creates doubts as to whether these graduates possess skills required to successfully engage in entrepreneurship. Therefore, the problem of this study is that, the extent business education graduates in Southwest Nigeria need entrepreneurship skills seem not clear. This makes this study and SME's managers rate of skills needed by business education graduates for entrepreneurial development in Southwest Nigeria imperative.

### **Purpose of the Study**

The purpose of this study was to determine the SME's managers rating of skills needed by business education graduates for entrepreneurial development in Southwest Nigeria. Specifically, the study determined the rating of SMEs managers on:

1. Human relation skills needed by business education graduates for entrepreneurial development in southwest Nigeria.
2. Innovative skills needed by business education graduates for entrepreneurial development in southwest Nigeria.
3. Problem solving skills needed by business education graduates for entrepreneurial development in southwest Nigeria.

### **Research Questions**

The following research questions guided the study.

In the rating of managers of SMEs, to what extent do graduates of business education need:

1. Human relation skills for entrepreneurial development in southwest Nigeria?
2. Innovative skills for entrepreneurial development in southwest Nigeria?
3. Problem-solving skills entrepreneurial development in southwest Nigeria?

## **Hypotheses**

The following null hypotheses were tested at 0.05 level of significance.

1. There is no significant difference in the mean ratings of SMEs managers in Ondo and Ekiti States on the human relation skills needed by business education graduates for entrepreneurial development in southwest Nigeria.
2. There is no significant difference in the mean ratings of male and female SMEs managers on the innovative skills needed by business education graduates for entrepreneurial development in southwest Nigeria.
3. There is no significant difference in the mean ratings of male and female SMEs managers on the problem-solving skills needed by business education graduates for entrepreneurial development in southwest Nigeria.

## **Method**

The design adopted in this study was descriptive survey. The study was carried out in Southwest Nigeria and covered Ondo and Ekiti States. The choice of the two states was informed by the fact that they have vast potential for entrepreneurial development as well as several tertiary institutions offering business education programmes. Population comprised 540 managers of small and medium enterprises (284 from Ondo State and 260 from Ekiti State) registered with the Chamber of Commerce. Managers were used for the study because, by experience, they understand the entrepreneurial atmosphere in the area and, therefore, were in a better position to know the skills that will help fresh graduates to succeed. A sample size of 230 (120 from Ondo State and 110 from Ekiti State) was drawn using proportionate stratified random sampling technique with the aid of Yaro Yamane's formula and Bowley's formula. A 5-point rating scale questionnaire which was validated by five experts both in business education and test and measurement was used for data collection. Test-retest method was used to determine the reliability coefficient of the instrument and data collected were analyzed with Cronbach Alpha which yielded a reliability coefficient of 0.75. The instrument was administered through direct contact with the respondents and out of the total 230 copies administered, 228 copies were retrieved and used for analysis. Data collected relative to the research questions were analyzed with arithmetic mean and standard deviation while z-test was used to test the hypotheses at 0.05 level of significance.

## **Results**

### **Research Question 1**

In the rating of managers of SMEs, to what extent does graduates of business education needs human relation skills for entrepreneurial development in southwest Nigeria?

**Table 1**  
**Respondents mean ratings on Human Relation skills needed by Business Education Graduates for Entrepreneurial Development in Southwest Nigeria (N=228)**

Items	Human Relation skills needed by Business Education graduates	X	SD	Remarks
1.		4.27	0.78	Highly Needed
2.	Showing positive reinforcement when communicating with others.	4.19	0.85	Highly Needed
3.	Ability to develop good customer orientation for effective operation.	4.50	0.74	Very Highly Needed
4.	Ability to persuade customers and stakeholder as expected.	4.36	0.78	Highly Needed
5.	Ability to organize customer meetings to improve their buying behaviour.	4.07	0.96	Highly Needed
6.	Establishment of linkages with other businesses and stakeholders for mutual learning and collaborative undertaking.	4.03	0.82	Highly Needed
7.	Having genuine regards for customers.	4.38	0.85	Highly Needed
8.	Recognizing the behavioural style of customers.	4.22	0.89	Highly Needed
9.	Understanding the basic things which motivate customers.	4.45	0.72	Highly Needed
10.	Ability to manage time effectively.	4.57	0.68	Very Highly Needed
	<b>Grand Mean</b>	<b>4.30</b>		<b>Highly Needed</b>

Data in Table 1 show that two items had mean ratings of 4.50 and 4.57 which means that they are very highly needed while eight had mean ratings ranging from 4.03 to 4.45 which means that they are highly needed by business education graduates for entrepreneurial development in Southwest Nigeria. However, the grand means of 4.30 shows that human relations skills are highly needed by business education graduates for entrepreneurial development in Southwest Nigeria. The standard deviations for all the items are within the same ranged which implies that the respondents were not wide apart in their ratings.

### **Research Question 2**

In the rating of managers of SMEs, to what extent do graduates of business education need innovative skills for entrepreneurial development in southwest Nigeria?

**Table 2**  
**Respondents mean ratings on innovative Skills needed by Business Education Graduates for Entrepreneurial Development in Southwest Nigeria (N=228)**

Items	Innovative Skills needed by Business Education graduates	X	SD	Remarks
1.	Ability to generate new business ideas.	4.68	0.62	Very Highly Needed
2.	Ability to introduce new products.	4.54	0.72	Very Highly Needed
3.	Ability to introduce new method of productivity.	4.43	0.75	Highly Needed
4.	Ability to combine ideas and knowledge into new value.	4.41	0.74	Highly Needed
5.	Ability to explore new sources of supply of raw materials.	4.22	0.81	Highly Needed
6.	Ability to open new markets.	4.04	0.94	Highly Needed
7.	Ability to create new wealth.	4.17	0.83	Highly Needed
8.	Ability to gain access to technology on innovation in small scale business.	4.30	0.81	Highly Needed
9.	Ability to add value to customers' satisfaction.	4.40	0.74	Highly Needed
10.	Ability to meet customers' needs	4.55	0.71	Very Highly Needed
<b>Grand Means</b>		<b>4.37</b>		<b>Highly Needed</b>

Data in Table 2 show that three items had mean ratings of 4.68, 4.54 and 4.55 which means that they are very highly needed while seven had mean ratings ranging from 4.04 to 4.43 which means that they are highly needed by business education graduates for entrepreneurial development in Southwest Nigeria. However, the grand means of 4.37 shows that innovative skills are highly needed by business education graduates for entrepreneurial development in Southwest Nigeria. The standard deviations for all the items are within the same ranged which implies that the respondents were close in their ratings.

### **Research Question 3**

In the rating of managers of SMEs, to what extent does graduates of business education needs problem-solving skills for entrepreneurial development in southwest Nigeria?

**Table 3**  
**Respondents mean Ratings on problem-solving skills needed by Business Education graduates for Entrepreneurial Development in Southwest Nigeria (N=228)**

Items	Problem-solving Skills Needed by Business Education graduates	X	SD	Remarks
1.	Ability to recognize and identify problems.	4.52	0.77	Very Highly Needed
2.	Ability to identify reasons for the discrepancies in products.	4.22	0.87	Highly Needed
3.	Ability to develop critical thinking to turn problem into opportunities.	4.34	0.82	Highly Needed
4.	Thorough understanding of the line of business involved.	4.35	0.85	Highly Needed
5.	Ability to team up with experts in solving problems.	4.30	0.87	Highly Needed
6.	Ability to believe that a solution exists for every problem.	4.29	0.96	Highly Needed
7.	Ability to implement a plan of action to resolve problem.	4.25	0.88	Highly Needed
8.	Careful analysis of data collected to enhance the business.	4.21	0.93	Highly Needed
9.	Courage to take extreme measures to identified problem.	4.22	0.97	Highly Needed
10.	Ability to evaluate and monitor progress	4.22	0.92	Highly Needed
	<b>Mean of Means</b>	<b>4.29</b>		<b>Highly Needed</b>

Data presented in Table 3 reveal that the respondents rated item 1 very highly needed with the mean rating of 4.52. While other nine items had mean ratings ranging from 4.21-4.25 which means that they are highly needed by business education graduates for entrepreneurial development in Southwest Nigeria. However, the grand means of 4.29 shows that problem-solving skills are highly needed by business education graduates for entrepreneurial development in Southwest Nigeria. The standard deviations for all the items are within the same ranged which implies that the respondents were cohesive in their ratings.

### Hypothesis 1

There is no significant difference in the mean ratings of small and medium enterprises managers in Ondo and Ekiti States on the human relation skills needed by business education graduates for entrepreneurial development in southwest Nigeria.

**Table 4**  
**Summary of z-test Analysis of the Mean Ratings of Respondents in Ondo and Ekiti States on human relation Skills Needed by Business Education Graduates for Entrepreneurial development in southwest Nigeria**

Variables	N	Mean	SD	A	df	z-cal	z-crit	Remark
<b>Ondo State</b>	118	4.26	0.41					
<b>Ekiti State</b>	110	4.35	0.37	0.05	226	1.69	1.96	Not Rejected



Data in table 4 show that the calculated z-value of 1.69 at 226 degree of freedom and 0.05 level of significance is less than the z-table value of 1.96. This means that there is no significance difference between the mean ratings of respondents in Ondo and Ekiti State on human relation skills needed by business education graduates for entrepreneurial development. Hence, the hypothesis was not rejected.

### Hypothesis 2

There is no significant difference in the mean ratings of male and female SMEs managers on the innovative skills needed by business education graduates for entrepreneurial development in southwest Nigeria.

**Table 5**

**Summary of z-Test Analysis of the Mean Ratings of Male and Female Respondents on Innovative Skills Needed by Business Education Graduates for Entrepreneurial Development in Southwest Nigeria.**

Variables	N	Mean	SD	<i>a</i>	df	z-cal	z-crit	Remark
<b>Male</b>	118	4.33	0.44					
				0.05	226	1.83	1.96	Not Rejected
<b>Female</b>	110	4.43	0.40					

Data in Table 5 reveal that the calculated z-value of 1.83 at 226 degree of freedom and at 0.05 level of significance is less than the critical value of 1.96. This means that there is no significant difference between the mean ratings of male and female respondents on innovative skills needed by business education graduates for entrepreneurial success development. Hence, there is enough evidence not to reject the null hypothesis.

### Hypothesis 3

There is no significant difference in the mean ratings of male and female SMEs managers on the problem-solving skills needed by business education graduates for entrepreneurial development in southwest Nigeria.

**Table 6**

**Summary of z-Test Analysis of the Mean Ratings of Male and Female Respondents on Problem Solving Skills Needed by Business Education Graduates for Entrepreneurial Development in Southwest Nigeria.**

Variables	N	Mean	SD	<i>a</i>	df	z-cal	z-crit	Remark
<b>Male</b>	118	4.30	0.50					
				0.05	226	0.31	1.96	Not Rejected
<b>Female</b>	110	4.28	0.63					

Table 6 reveals that the calculated z-value of 0.31 at degree of freedom 226 and at 0.05 level of significance is less than the critical value of 1.96. Therefore, the third null hypothesis was not rejected. The researcher therefore concluded that there is no significant difference between the mean ratings of male and female respondents on problem solving skills needed by business education graduates for entrepreneurial development in southwest Nigeria.

## **Discussion**

Findings of the study relative to human relations show that the respondents rated them as highly needed by business education graduates for entrepreneurial development in Southwest Nigeria. This is in line with the assertion of Azubuike (2006) that entrepreneurs who develop and maintain good customer relationship will excel in business. Azubuike stressed further that the success of business depends on how well the entrepreneur relates with its public. In agreement, Okorie (2001) noted that for a business to succeed, the owner (entrepreneur) must possess the required qualities of being a good public relation officer and be consumer-oriented in business. This finding also agrees with the view of Okoro and Leka (1999) that human relation is an important skills area required in work places as they contribute immensely towards the achievement of organizational objectives. In essence, business education graduates must recognize their need of human relations skill is as a key ingredient in transforming organizational plans into results which is of essence in entrepreneurial development.

Furthermore, respondents from the two States did not differ significantly in their mean ratings on human relation skills needed by business education graduates for entrepreneurial success in the area. This is in line with the finding of Akarahu and Baba (2011) that there is no significant difference in the mean ratings of male and female respondents on human relations competences required by office education graduates for self sustenance. It also agrees with Hean (2002) who argued that skills needed in small and medium enterprises are not gender sensitive and could not be influenced differently. This implies that all business education graduates need human relations skills for entrepreneurial development irrespective of location and gender.

The findings relative to research question two showed that small and medium enterprises' managers in Ondo and Ekiti States rated innovative skills to be highly needed by business education graduates for entrepreneurial development in the area. This is line with the findings of Chukwone and Obichili (2011) that the respondents rated creative and innovative skills highly needed by home economics graduates. Ayonmike (2011) corroborated that innovative ability was one of the important entrepreneurial skills needed by technical and vocational education graduates to succeed in their businesses. The test of the second hypothesis revealed that male and female respondents did not differ significantly in their mean ratings on innovative skills needed by business education graduates for entrepreneurial development the finding of research question three showed that male and female small and medium enterprises managers rated problem-solving skills highly needed by business education graduates for entrepreneurial development. This finding agrees with the view of Okoro and Asogwa (2011) who adjudged problem-solving skills as significant considering the fact that most plans and researches in organization are aimed at problem solving. This also is in line with the finding of Ayonmike (2011) who averred ability to solve problem as one of the keys skills entrepreneurs need to succeed in business. In essence, business education graduates should be able to recognize that a business is built on the problems, needs and wants of customers, without which, there will be no business at all. The test of the null hypothesis third revealed that, male and female respondents did not differ in their mean ratings on

the problem-solving skills needed by business education graduates for entrepreneurial development.

### **Conclusion**

Based on the findings of the study, it was concluded that business education graduates and practicing entrepreneurs need highly need human relations, innovative and problem-solving skills to succeed in self-employment and contribute to entrepreneurial development in Southwest Nigeria.

### **Recommendations**

Based on the findings of this study, the following recommendations were made:

1. Business education lecturers should use suitable methods and resources to ensure that their students adequately acquire human relations, innovative and problem-solving skills to become successful entrepreneurs on graduation.
2. Regulatory agencies for business education programme should review the existing curriculum to integrate human relations, innovative and problem-solving skills to equip the graduates to establish their own businesses and become successful entrepreneurs.
3. Government should encourage retraining of business education lecturers to acquire human relations, innovative and problem-solving skills since they cannot give what they do not have.

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